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BEFORE THE STATE AUDITOR
AND COMMISSIONER OF INSURANCE
HELENA, MONTANA

IN THE MATTER OF:)	CASE NO. 2005-4
)	
THE PROPOSED DISCIPLINARY)	CONSENT AGREEMENT
TREATMENT OF AMBER SZAFRYK,)	
)	
Respondent.)	
)	
)	
)	
)	

TO: Amber Szafryk
P.O. Box 1029
Plains, MT 59859

I.

The Montana Insurance Commissioner (Commissioner), pursuant to the authority of the Insurance Code of Montana, Section 33-1-101, et seq., Montana Code Annotated (1999) (MCA), determines that there is probable cause to believe that the following allegations, if true, justify and support disciplinary treatment.

ALLEGATIONS

1. Around March 23, 2005, Mary Halling phoned the State Auditor's Office with a complaint concerning Amber Szafryk. Halling revealed that she sold life insurance policies for Szafryk and received commissions for the sales when she was not

licensed by the State Auditor's Office.

2. Amber Szafryk became licensed as an insurance producer in 1987 by the State of Montana, to include being licensed in the area of life insurance.

3. Investigator Neil Brunett was assigned to investigate the matter.

4. On or about March 29, 2005, Brunett spoke with Halling by phone. Brunett then met Halling at her residence. Brunett asked Halling if she had sold life insurance policies for Szafryk, specifically Farmers New World Life Insurance policies. Halling advised that she did in fact sell life insurance policies for Szafryk and Szafryk paid Halling commission on each sale; the sales of insurance and payment of commission happened in the Plains, Montana area.

5. Brunett asked for proof about commissions. Halling produced 10 statement of earnings with Szafryk's signature showing commissions received on one statement and a policyholder's name with commissions listed with it.

6. Brunett then went to visit Szafryk's insurance agency located at 202 Willis St., Plains, MT. Szafryk allowed Brunett to examine her insurance agency.

7. Brunett pulled three specific files to examine. Szafryk noted that the files all belonged to her ex-employee Mary

Halling. Szafryk advised that Halling was paid very well and that she was paid some commission for her work. Brunett advised Szafryk that since Halling wasn't licensed, she shouldn't have been selling any type of insurance. Szafryk said that she was training Halling and that she could not afford to pay for a license when an employee wasn't going to work out. Brunett asked if anyone else sold life insurance for Szafryk. Szafryk advised that her daughter Marilee Szafryk-Rummell is not licensed to sell life insurance but has done so under Szafryk's supervision and that Marilee was mostly paid as an employee.

8. In her February 14, 2006 letter to this office, Szafryk admits to the allegations, but denies that Bill Heffner or Dwight Easton of Farmers Insurance Group had any knowledge of Szafryk using Halling as an insurance producer without a license.

9. Szafryk also states that Marilee is now licensed to sell life insurance.

CONCLUSIONS

1. The State Auditor is the Commissioner of Insurance pursuant to section 2-15-1903, Mont. Code Ann.

2. The insurance department is under the control and supervision of the Commissioner pursuant to section 33-1-301, Mont. Code Ann.

3. A person may not transact a business of insurance in Montana or a business relative to a subject resident, located, or to be performed in Montana without complying with the applicable provisions of this code pursuant to section 33-1-102, Mont. Code Ann.

4. The Commissioner shall administer the Department of Insurance to protect insurance consumers pursuant to section 33-1-311, Mont. Code Ann.

5. Szafryk paid Halling a commission for services as an insurance producer in violation of section 33-17-1103(1), MCA.

II.

Szafryk stipulates and consents to the following:

- A. To pay a \$2000 fine;
- B. This consent agreement becomes an order of the commissioner upon all parties signing, and further understands that respondent's failure to comply with this order constitutes a separate violation of the insurance code pursuant to sections 33-2-119, 33-17-1001 or other applicable codes;
- C. To agree to only use properly licensed insurance producers in the agency;
- D To comply with the insurance code of Montana;
- E. To waive the right to a hearing on the above-mentioned allegations and by entering into this consent Szafryk admits the

substance of the allegations of the Commissioner accept where denied factually above;

F. That Respondent states that she has read the foregoing Consent Agreement, that she knows and fully understands its contents and effect. She has been advised of: her right to be represented by legal counsel and if represented by legal counsel, acknowledges that her legal representation was satisfactory; her right to a hearing in this matter; her right to present evidence and arguments to the Commissioner; and her right to appeal from an adverse determination after hearing. **She understands that by signing this Consent Agreement she waives those rights mentioned above in this paragraph F in their entirety;**

G. Respondent states that she understands that the Consent Agreement is part of the file, which is a public record; and

H. It is further understood that this Consent Agreement constitutes the entire agreement between the parties, there being no other promises or agreements, either express or implied.

III.

Pursuant to the stipulation and consent of Szafryk, the Commissioner, under authority of the Insurance Code of Montana and Section 2-4-603, MCA, hereby agrees that if the terms and conditions of this Consent Agreement are fully met, he will not

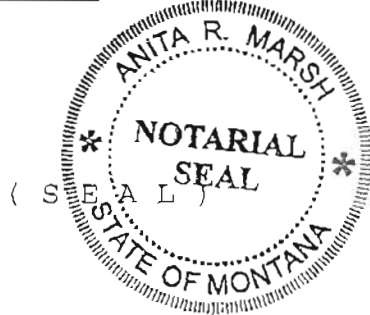
initiate any civil or administrative action against Szafryk regarding the allegations contained therein pursuant to Sections 33-1-317 and 33-17-1001, MCA. In consideration for the Commissioner not initiating any civil or administrative action, Szafryk fully and forever releases and discharges the Office of the State Auditor, the elected State Auditor and all State Auditor employees from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the above entitled administrative action.

DATED this 23rd day of February, 2006.

RESPONDENT

Amber Szafryk
By: Amber Szafryk
Its: _____

Subscribed and Sworn to before me this 23rd day of February, 2006.

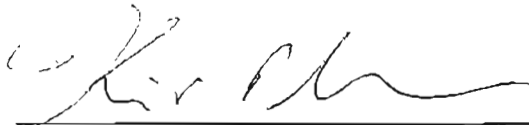


Anita R. Marsh
Notary Public for the
State of Montana
Residing at Plains, MT
My commission expires 20-29-2007

10 MARCH 2006

State Auditor and Commissioner of Insurance

By:



Kevin Phillips
Special Assistant Attorney General

FINAL ORDER

Pursuant to the authority vested by the Montana Insurance Code, Montana Code Ann. Sections 33-1-101, et seq., and upon review of the forgoing Consent Agreement and good cause appearing therefore, IT IS ORDERED that the foregoing Consent Agreement between the Insurance Department and Amber Szafryk is adopted as the Final Order.

DATED this 13th day of March, 2006

JOHN MORRISON
State Auditor and Insurance Commissioner



Alicia Pichette
Deputy Insurance Commissioner